

## Overview of Activities by Board Staff Change in Ownership

Under Government Code section 15606 et seq., the Board is charged with the duty of administratively enforcing and interpreting the statutes governing the local property tax assessment function. Specifically, the Board is required to prepare and issue instructions designed to promote property tax assessment uniformity throughout California. The Property and Special Taxes Department carries out this Board mandate through drafting of various sections of the *Assessors' Handbook*, through issuance of *Letters To Assessors*, and through conducting training sessions for county assessors' appraisal staff.

One of the most critical areas of property taxation is the administration of the statutory provisions pertaining to change in ownership. Since the adoption of Proposition 13 in 1978, there have been few occasions when the Legislature is not considering a measure that would impact the change in ownership provisions under Article XIII A (Proposition 13). In addition to being the most fluid, the change in ownership provisions have become the most complex.

Since 1978, over 125 Letters To Assessors have been disseminated on change in ownership provisions on such widespread topics as interspousal transfers, declines in value, legal entities, over 55/disabled persons exclusions, parent-child transactions, trusts, step transactions, eminent domain, and domestic partner exclusions. Likewise, after the adoption of Proposition 13, Board staff conducted a series of change in ownership workshops statewide for a period of nearly two years. Subsequently, change in ownership provisions are routinely covered as a topic in many of the training classes taught to county assessors' staff each year by Board staff.

Additionally, Board staff routinely answers dozens of change in ownership questions via telephone calls, letters, e-mails, and web requests each month. These inquiries arise from county assessors' staff, attorneys, taxpayer representatives, and taxpayers.

Currently, Board staff is taking steps to further assist county assessors with the administration of the change in ownership provisions:

- By working with the California Assessors' Administrative Support Association (CAASA) in the development and presentation of a *Change in Ownership Workshop* to the administrative support staff of the 58 county assessors' offices.
- By drafting Assessors' Handbook Section 401, *Change in Ownership*. The draft of AH 401 is in the final review stage before being released into the interested parties process.<sup>1</sup> Since this is a new handbook section and since the subject matter is very complex, it is anticipated that the interested parties process will take a significant number of months to conclude. It is anticipated that AH 401 will be presented to the Property Tax Committee for discussion of outstanding issues and consideration of adoption late in 2008.
- By developing and presenting an extensive training session on change in ownership for the appraisal staff of the county assessors' offices. Staff are being realigned to

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<sup>1</sup> Interested parties process pursuant to the provisions of the *Property Tax Committee Procedures Manual*, February 2001.

accommodate this project. It is anticipated that the first training sessions will begin in summer 2008.

- By continuing to work with the California Assessors' Association to develop proposed legislation to refine change in ownership statutes to correct unintended consequences, such as those that currently are affecting victims of catastrophic disasters.